



DEPARTMENT OF COMMERCE

International Trade Administration

[C-570-107]

Wooden Cabinets and Vanities and Components Thereof from the People's Republic of China: Preliminary Results of Countervailing Duty Administrative Review, Rescission of Administrative Review in Part, and Intent to Rescind in Part; 2021

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The U.S. Department of Commerce (Commerce) preliminarily determines that countervailable subsidies are being provided to producers and exporters of wooden cabinets and vanities and components thereof (wooden cabinets) from the People's Republic of China (China). The period of review (POR) is January 1, 2021, through December 31, 2021.

Interested parties are invited to comment on these preliminary results.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Konrad Ptaszynski or Michael Romani, AD/CVD Operations, Office I, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-6187 or (202) 482-0198, respectively.

SUPPLEMENTARY INFORMATION:

Background

On April 21, 2020, Commerce published in the *Federal Register* the countervailing duty (CVD) order on wooden cabinets from China.¹ On June 9, 2022, Commerce published the notice of initiation of an administrative review of the *Order* for the period January 1, 2021, through

¹ See *Wooden Cabinets and Vanities and Components Thereof from the People's Republic of China: Countervailing Duty Order*, 85 FR 22134 (April 21, 2020) (*Order*).

December 31, 2021.² On August 16, 2022, Commerce selected The Ancientree Cabinet Co., Ltd. (Ancientree), as the sole mandatory respondent in this administrative review. However, between August 30 and September 7, 2022, multiple respondents timely withdrew their requests for review, including Ancientree.³ As a result, on September 26, 2022, Commerce selected Fujian Dushi Wooden Industry Co. (Dushi) and Jiangsu Sunwell Cabinetry Co., Ltd. (Sunwell) as mandatory respondents in this administrative review.⁴ On December 16, 2022, Commerce exercised its discretion to extend the deadline for the preliminary results of this review by 118 days, until April 28, 2023.⁵

For a complete description of the events that followed the initiation of this review, *see* the Preliminary Decision Memorandum.⁶ A list of topics discussed in the Preliminary Decision Memorandum is included as appendix I to this notice. The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <http://access.trade.gov>. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <https://access.trade.gov/public/FRNoticesListLayout.aspx>.

Scope of the Order

The product covered by the *Order* is wooden cabinets from China. For a complete description of the scope, *see* the Preliminary Decision Memorandum.

² *See Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 87 FR 35165, 35176 (June 9, 2022). Although we received a request for review from Vivaldi Commercial, LLC d/b/a Superior Granite and Marble by Vivaldi, and Vivaldi Interiors, LLC (collectively, Vivaldi) with respect to Grand Supremacy Sdn. Bhd. (Grand Supremacy) a Malaysian producer and exporter of wooden cabinets, we did not initiate an administrative review of Grand Supremacy because it is located in Malaysia not China, as in the *Order*. *See* Vivaldi's Letter, "Request for Administrative Review," dated May 1, 2022.

³ *See* Ancientree's Letter, "Withdrawal of Requests for Administrative Review," dated August 30, 2022 (Ancientree Companies Withdrawal); *see also* Senke Manufacturing Company's Letter, "Withdrawal of Requests for 2021 Administrative Review," dated September 7, 2022 (Senke Companies Withdrawal).

⁴ *See* Memorandum, "Second Respondent Selection," dated September 26, 2022

⁵ *See* Memorandum, "Extension of Deadline for Preliminary Results of the Countervailing Duties Administrative Review; 2021," dated December 16, 2022.

⁶ *See* Memorandum, "Decision Memorandum for the Preliminary Results of the Administrative Review of the Countervailing Duty Order on Wooden Cabinets and Vanities and Components Thereof from the People's Republic of China; 2021," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

Methodology

Commerce is conducting this administrative review in accordance with section 751(a)(1)(A) of the Tariff Act of 1930, as amended (the Act). For each of the subsidy programs found countervailable, Commerce preliminarily finds that there is a subsidy (*i.e.*, a government-provided financial contribution that gives rise to a benefit to the recipient, and that the subsidy is specific).⁷

In making these findings, Commerce relied, in part, on facts available and, because it finds that one or more respondents, including the Government of China, did not act to the best of their ability to respond to Commerce's requests for information, it drew an adverse inference where appropriate in selecting from among the facts otherwise available.⁸ For further information, *see* "Use of Facts Otherwise Available and Adverse Inferences" in the Preliminary Decision Memorandum.

Rescission of Administrative Review, in Part

Pursuant to 19 CFR 351.213(d)(1), Commerce will rescind an administrative review, in whole or in part, if the parties that requested a review withdraw the request within 90 days of the date of publication of the notice of initiation. Commerce received timely-filed withdrawal of review requests with respect to 12 companies, pursuant to 19 CFR 351.213(d)(1).⁹ Because the withdrawal requests were timely filed and no other parties requested a review of these companies, in accordance with 19 CFR 351.213(d)(1), Commerce is rescinding this review of the *Order* for the 12 companies listed in appendix II.¹⁰

Intent to Rescind Administrative Review, in Part

⁷ See sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

⁸ See sections 776(a) and (b) of the Act.

⁹ See *Ancientree Companies Withdrawal*; *see also Senke Companies Withdrawal*.

¹⁰ See, e.g., *Lightweight Thermal Paper from the People's Republic of China: Notice of Rescission of Countervailing Duty Administrative Review*; 2015, 82 FR 14349 (March 20, 2017); and *Circular Welded Carbon Quality Steel Pipe from the People's Republic of China: Rescission of Countervailing Duty Administrative Review*; 2017, 84 FR 14650 (April 11, 2019).

It is Commerce’s practice to rescind an administrative review of a countervailing duty order, pursuant to 19 CFR 351.213(d)(3), when there are no reviewable entries of subject merchandise during the POR for which liquidation is suspended.¹¹ Normally, upon completion of an administrative review, the suspended entries are liquidated at the countervailing duty assessment rate calculated for the review period.¹² Therefore, for an administrative review of a company to be conducted, there must be a reviewable, suspended entry that Commerce can instruct U.S. Customs and Border Protection (CBP) to liquidate at the calculated countervailing duty assessment rate calculated for the review period.¹³ According to the CBP import data on the record, there are seven companies, KM Cabinetry Co, Ltd., Shanghai Zifeng International Trading Co., Ltd, Sheen Lead International Trading (Shanghai) Co., Ltd., Shouguang Fushi Wood Co., Ltd., Taishan Oversea Trading Company Ltd., Taizhou Overseas Int’l Ltd., Xiamen Adler Cabinetry Co., Ltd., subject to this review that did not have reviewable entries of subject merchandise during the POR for which liquidation is suspended. Accordingly, in the absence of reviewable, suspended entries of subject merchandise during the POR, we intend to rescind this administrative review with respect to these seven companies, in accordance with 19 CFR 351.213(d)(3).

Preliminary Results of Administrative Review

As a result of this administrative review, we preliminarily find that the following net countervailable subsidy rates exist for the period January 1, 2021, through December 31, 2021:

Company	Subsidy Rate (percent <i>ad valorem</i>)
Fujian Dushi Wooden Industry Co., Ltd.	14.60
Jiangsu Sunwell Cabinetry Co., Ltd.	7.47
Review-Specific Average Rate Applicable to the Following Companies¹⁴	
KM Cabinetry Co, Ltd.	12.69

¹¹ *Id.*

¹² See 19 CFR 351.212(b)(2).

¹³ See 19 CFR 351.213(d)(3).

¹⁴ This rate is based on the rate for the respondents that were selected for individual review, excluding rates that are zero, *de minimis*, or based entirely on facts available. See section 705(c)(5)(A) of the Act.

Nantong Aershin Cabinet Co., Ltd.	12.69
Shanghai Zifeng International Trading Co., Ltd	12.69
Sheen Lead International Trading (Shanghai) Co. Ltd.	12.69
Shouguang Fushi Wood Co., Ltd.	12.69
Taishan Oversea Trading Company Ltd.	12.69
Taizhou Overseas Int'l Ltd.	12.69
Weifang Fuxing Wood Co., Ltd.	12.69
Xiamen Adler Cabinetry Co., Ltd.	12.69
Yixing Pengjia Technology Co., Ltd.	12.69
Yixing Pengjia Cabinetry Co., Ltd.	12.69
Zaozhuang New Sharp Import & Export Trading Co., Ltd	12.69
Zhoushan For-strong Wood Co., Ltd	12.69

Preliminary Rate for Non-Selected Companies Under Review

There are 13 companies for which a review was requested and not rescinded, and which were not selected as mandatory respondents or found to be cross-owned with a mandatory respondent. The statute and Commerce's regulations do not directly address the establishment of rates to be applied to companies not selected for individual examination where Commerce limits its examination in an administrative review pursuant to section 777A(e)(2) of the Act. However, Commerce normally determines the rates for non-selected companies in reviews in a manner that is consistent with section 705(c)(5) of the Act, which provides the basis for calculating the all-others rate in an investigation.

Section 705(c)(5)(A)(i) of the Act instructs Commerce, as a general rule, to calculate an all-others rate equal to the weighted average of the countervailable subsidy rates established for exporters and/or producers individually examined, excluding any rates that are zero, *de minimis*, or based entirely on facts available. In this review, the preliminary rates calculated for Dushi and Sunwell were above *de minimis* and not based entirely on facts available. Therefore, we are applying to the non-selected companies the average of the net subsidy rates calculated for Dushi and Sunwell, which we calculated using the publicly-ranged sales data submitted by Dushi and

Sunwell.¹⁵ This methodology to establish the rate for the non-selected companies uses section 705(c)(5)(A) of the Act, which governs the calculation of the “all-others” rate in an investigation, as guidance. For further information on the calculation of the non-selected respondent rate, refer to the section in the Preliminary Decision Memorandum entitled “Non-Selected Companies Under Review.”

Cash Deposit Requirements

Pursuant to section 751(a)(2)(C) of the Act, Commerce intends, upon publication of the final results, to instruct CBP to collect cash deposits of estimated countervailing duties in the amounts calculated in the final results of this review for the respective companies listed above, on shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this administrative review. If the rate calculated in the final results is zero or *de minimis*, no cash deposit will be required on shipments of the subject merchandise entered or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this review.

For all non-reviewed companies, CBP will continue to collect cash deposits of estimated countervailing duties at the all-others rate (*i.e.*, 41.17 percent)¹⁶ or the most recent company-specific rate applicable to the company, as appropriate. These cash deposit requirements, when imposed, shall remain in effect until further notice.

Assessment Rates

In accordance with 19 CFR 351.221(b)(4)(i), we preliminarily assigned subsidy rates in the amounts shown above for the producers/exporters shown above. Consistent with section

¹⁵ With two respondents under examination, Commerce normally calculates: (A) a weighted-average of the estimated subsidy rates calculated for the examined respondents; (B) a simple average of the estimated subsidy rates calculated for the examined respondents; and (C) a weighted-average of the estimated subsidy rates calculated for the examined respondents using each company’s publicly-ranged U.S. sale quantities for the merchandise under consideration. Commerce then compares (B) and (C) to (A) and selects the rate closest to (A) as the most appropriate rate for all other producers and exporters. *See, e.g., Ball Bearings and Parts Thereof from France, Germany, Italy, Japan, and the United Kingdom: Final Results of Antidumping Duty Administrative Reviews, Final Results of Changed-Circumstances Review, and Revocation of an Order in Part*, 75 FR 53661, 53663 (September 1, 2010).

¹⁶ *See Order*, 85 FR at 19928.

751(a)(1) of the Act and 19 CFR 351.212(b)(2), upon issuance of the final results, Commerce shall determine, and CBP shall assess, countervailing duties on all appropriate entries covered by this review. We intend to issue assessment instructions to CBP no earlier than 35 days after the date of publication of the final results of this review in the *Federal Register*. If a timely summons is filed at the U.S. Court of International Trade, the assessment instructions will direct CBP not to liquidate relevant entries until the time for parties to file a request for a statutory injunction has expired (*i.e.*, within 90 days of publication).

For the companies for which this review is rescinded with these preliminary results, we will instruct CBP to assess countervailing duties on all appropriate entries at a rate equal to the cash deposit of estimated countervailing duties required at the time of entry, or withdrawal from warehouse, for consumption, during the period July 13, 2020, through December 31, 2021, in accordance with 19 CFR 351.212(c)(1)(i).

Disclosure and Public Comment

We will disclose the calculations performed for these preliminary results to parties in this proceeding within five days after public announcement of the preliminary results in accordance with 19 CFR 351.224(b). Pursuant to 19 CFR 351.309(c), interested parties may submit case briefs no later than 30 days after the date of publication of this notice. Rebuttal briefs, limited to issues raised in the case briefs, may be filed no later than seven days after the date for filing case briefs.¹⁷ Parties who submit case or rebuttal briefs in this proceeding are encouraged to submit with each argument: (1) a statement of the issue, (2) a brief summary of the argument, and (3) a table of authorities.¹⁸ Commerce has temporarily modified certain of its requirements for serving documents containing business proprietary information.¹⁹

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing, limited to issues raised in the case and rebuttal briefs, must submit a written request to the Assistant

¹⁷ See 19 CFR 351.309(d).

¹⁸ See 19 CFR 351.309(c)(2) and (d)(2).

¹⁹ See *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19*, 85 FR 41363 (July 10, 2020).

Secretary for Enforcement and Compliance, filed electronically via ACCESS. An electronically filed document must be received successfully in its entirety by Commerce's electronic records system, ACCESS, by 5:00 p.m. Eastern Time within 30 days after the date of publication of this notice.²⁰ Requests should contain: (1) The party's name, address, and telephone number; (2) the number of participants; and (3) a list of issues to be discussed. If a request for a hearing is made, we will inform parties of the scheduled date and time for the hearing.

Unless extended, we intend to issue the final results of this administrative review, which will include the results of our analysis of the issues raised in case briefs, within 120 days after the date of publication of these preliminary results in the *Federal Register*, pursuant to section 751(a)(3)(A) of the Act and 19 CFR 351.213(h).

Notification to Interested Parties

These preliminary results and notice are issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act, and 19 CFR 351.213 and 351.221(b)(4).

Dated: April 28, 2023.

Lisa W. Wang,
Assistant Secretary for Enforcement and Compliance.

²⁰ See 19 CFR 351.310(c).

Appendix I

List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the *Order*
- IV. Non-Selected Companies Under Review
- V. Intent to Rescind Administrative Review, In Part
- VI. Partial Rescission of Administrative Review
- VII. Diversification of China's Economy
- VIII. Use of Facts Otherwise Available and Application of Adverse Inferences
- IX. Subsidies Valuation
- X. Interest Rate, Discount Rate, Input, Electricity, and Land Benchmarks
- XI. Analysis of Programs
- XII. Recommendation

Appendix II

List of Companies for Which Requests for Review Were Timely Withdrawn

1. Anhui Xinyuanda Cupboard Co., Ltd
2. Guangzhou Nuolande Import and Export Co., Ltd.
3. Jiang Su Rongxin Wood Industry Co., Ltd
4. Jiang Su Rongxin Cabinets Ltd
5. Jiangsu Weisen Houseware Co., Ltd
6. Linyi Bomei Furniture Co., Ltd
7. Linyi Kaipu Furniture Co., Ltd.
8. Qufu Xinyu Furniture Co., Ltd.
9. Senke Manufacturing Company
10. Shandong Longsen Woods Co., Ltd.
11. The Ancientree Cabinet Co., Ltd.
12. Yichun Dongmeng Wood Co., Ltd

[FR Doc. 2023-09571 Filed: 5/4/2023 8:45 am; Publication Date: 5/5/2023]